

GENTILLY SENIOR CENTER, INC.

**FINANCIAL STATEMENTS
AND
REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANT**

June 30, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/23/11

GENTILLY SENIOR CENTER, INC.

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Justin J. Scanlan, C.P.A., L.L.C.

A LIMITED LIABILITY COMPANY

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Gentilly Senior Center, Inc.

We have audited the accompanying statement of financial position of Gentilly Senior Center, Inc. (a non-profit corporation) as of June 30, 2010 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of Gentilly Senior Center, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the corporation's 2009 financial statements and, in our report dated November 30, 2009, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gentilly Senior Center, Inc. as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated November 16, 2010, on our consideration of Gentilly Senior Center, Inc.'s internal control structure over financial reporting and our tests of its compliance with laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Gentilly Senior Center, Inc., taken as a whole. The supplemental schedules listed in the table of contents are presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the examination of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



New Orleans, Louisiana
November 16, 2010

GENTILLY SENIOR CENTER, INC.
STATEMENT OF FINANCIAL POSITION

June 30, 2010

ASSETS

		TOTAL MEMORANDUM ONLY <u>June 30, 2009</u>
Cash	\$ 2,108	\$ 4,638
Grant receivable (Notes A4 and B)	27,000	-
Prepaid expenses	<u>68</u>	<u>68</u>
Total assets	\$ <u>29,176</u>	<u>\$ 4,706</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued liabilities	\$ <u>27,141</u>	\$ <u>3,682</u>
Total liabilities	<u>27,141</u>	<u>3,682</u>
Commitment (Note C)	-	-
Net assets - unrestricted	<u>2,035</u>	<u>1,024</u>
Total net assets	<u>2,035</u>	<u>1,024</u>
Total liabilities and net assets	\$ <u>29,176</u>	<u>\$ 4,706</u>

The accompanying notes are an integral part of this financial statement.

GENTILLY SENIOR CENTER, INC.

STATEMENT OF ACTIVITIES

For the year ended June 30, 2010

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>	<u>TOTAL MEMORANDUM ONLY For the year ended June 30, 2009</u>
REVENUES				
Grant appropriations	\$ -	\$ 130,376	\$ 130,376	\$ 228,376
Other income	1,925	-	1,925	839
Net assets released from restrictions	<u>130,376</u>	<u>< 130,376 ></u>	<u>-</u>	<u>-</u>
Total revenues	<u>132,301</u>	<u>-</u>	<u>132,301</u>	<u>229,215</u>
EXPENSES				
Salaries	54,570	-	54,570	148,875
Fringe benefits	5,702	-	5,702	13,149
Insurance	4,263	-	4,263	4,202
Occupancy	30,404	-	30,404	30,457
Professional services	11,200	-	11,200	6,250
Contract services	18,685	-	18,685	7,500
Program activities	-	-	-	9,626
Supplies	1,861	-	1,861	2,004
Postage	229	-	229	106
Telephone	1,055	-	1,055	4,950
Equipment	453	-	453	735
Other	<u>2,706</u>	<u>-</u>	<u>2,706</u>	<u>360</u>
Total expenses	<u>131,128</u>	<u>-</u>	<u>131,128</u>	<u>228,214</u>
Increase <decrease> in net assets	1,173	-	1,173	1,001
Return of prior year funds to funding source	< 162 >	-	< 162 >	-
Net assets, beginning of year	<u>1,024</u>	<u>-</u>	<u>1,024</u>	<u>23</u>
Net assets, end of year	<u>\$ 2,035</u>	<u>\$ -</u>	<u>\$ 2,035</u>	<u>\$ 1,024</u>

The accompanying notes are an integral part of this financial statement.

GENTILLY SENIOR CENTER, INC.

STATEMENT OF CASH FLOWS

For the year ended June 30, 2010

Increase <decrease> in cash and cash equivalents		
Cash flows from operating activities:		
Increase in net assets		\$ 1,173
Adjustments to reconcile increase in net assets		
to net cash used in operating activities:		
Return of funds to funding source	\$ < 162>	
Changes in assets and liabilities:		
Increase in grant receivable	< 27,000>	
Increase in accounts payable and accrued liabilities	<u>23,459</u>	<u>< 3,703></u>
Net cash used in operating activities		<u>< 2,530></u>
Net decrease in cash and cash equivalents		< 2,530>
Cash and cash equivalents, beginning of year		<u>4,638</u>
Cash and cash equivalents, end of year		<u>\$ 2,108</u>

The accompanying notes are an integral part of this financial statement.

GENTILLY SENIOR CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the corporation's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. Nature of Activities

Gentilly Senior Center, Inc. was organized to promote and effectuate the planning and delivery of community services and social services programs within various communities in the Parish of Orleans, and to mobilize such human financial resources as may be available to correct the social-economic deprivations affecting the area.

2. Financial Statement Presentation

The corporation's financial statements are presented in accordance with requirements established by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth in FASB ASC 958. Accordingly, the net assets of the corporation are reported in each of the following classes: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets. There were no permanently restricted net assets.

Net assets of the restricted class are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are legally unrestricted, and are reported as part of the unrestricted class.

3. Revenue Recognition

For financial reporting, the corporation recognizes all contributed support as income in the period received. Contributed support is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "net assets released from restrictions".

Grant revenue is recognized as it is earned in accordance with approved contracts.

4. Receivables

The corporation considers accounts receivable to be fully collectible since the balance consists primarily of payments due under government contracts. If amounts due become uncollectible, they will be charged to operations when the determination is made.

GENTILLY SENIOR CENTER, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. Property and Equipment

Gentilly Senior Center, Inc. records property acquisitions at cost. Donated assets are recorded at estimated value at date of donation. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. There was no depreciation expense for the year ended June 30, 2010.

It is the policy of the corporation to capitalize all property, and equipment with an acquisition cost in excess of \$1,000.

6. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

7. Cash Equivalents

For purposes of the statement of cash flows, the corporation considers all investments with original maturities of three months or less to be cash equivalents.

8. Fair Values of Financial Investments

Cash and cash equivalents carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those investments.

9. Functional Allocation of Expenses

The expenses of providing programs and other activities have been summarized on a functional basis in Note G to the financial statements. Certain of those expenses have been allocated among the program and supporting services benefited based on estimates by management of the costs involved.

10. Subsequent Events

The subsequent events of the organization were evaluated through the date the financial statements were available to be issued (November 16, 2010).

GENTILLY SENIOR CENTER, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

11. Memorandum Only – Total Columns

Total columns are captioned "Memorandum Only" to indicate that they are presented only to assist with financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE B – GRANT RECEIVABLE

Grant receivable at June 30, 2010 consists of the following:

New Orleans Council on Aging, Inc.	<u>\$ 27,000</u>
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NOTE C - COMMITMENT

The Corporation leases property under a month-to-month operating lease. The rental expense for the year ended June 30, 2010 totaled \$27,000.

NOTE D - INCOME TAXES

The corporation is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE E - BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

NOTE F – RELATED PARTY

A relative of the executive director performed janitorial and maintenance services for the year ended June 30, 2010. These services totaled \$1,800.

NOTE G – FUNCTIONAL EXPENSES

Functional expenses for the year ended June 30, 2010, are as follows:

Program Services	
Senior Center Program	\$ 109,223
Supportive Services	
Management and general	<u>21,905</u>
	<u>\$ 131,128</u>

GENTILLY SENIOR CENTER, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2010

NOTE H – ECONOMIC DEPENDENCY

Gentilly Senior Center, Inc. received the majority of its revenue from funds provided through grants administered by the New Orleans Council on Aging, Inc. The grant amounts are awarded each year by the state government. If significant budget cuts are made at the state level, the amount of the funds the corporation receives could be reduced significantly and have an adverse impact on its operations.

The corporation's support through government grants totaled 99% for the year ended June 30, 2010.

NOTE I – FAIR VALUES OF FINANCIAL INSTRUMENTS

Statement of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth in the FASB ASC 820-10 requires disclosure of the estimated fair value of certain financial instruments and the methods and significant assumptions used to estimate their fair value. Financial instruments within the scope of FASB ASC 820-10 are included in the table below.

<u>Fair Value Measurement of Reporting Date</u>				
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalent	\$ 2,108	\$ 2,108	\$ -	\$ -
Receivables	27,000	27,000	-	-
Accounts payable and accrued liabilities	<u>< 27,141 ></u>	<u>< 27,141 ></u>	<u>-</u>	<u>-</u>
	<u>\$ 1,967</u>	<u>\$ 1,967</u>	<u>\$ -</u>	<u>\$ -</u>

The assumptions to estimate fair values are as follows:

1. Cash and cash receivables carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.
2. Receivables and accounts payable and accrued liabilities are carried at amounts that approximate fair value due to their short-term nature and generally negligible credit risk.

SUPPLEMENTAL INFORMATION

GENTILLY SENIOR CENTER, INC.
COMBINED STATEMENT OF ACTIVITIES

For the year ended June 30, 2010

	<u>Senior Center Program</u>	<u>General</u>	<u>Total</u>
REVENUES			
Grant appropriations	\$ 130,376	\$ -	\$ 130,376
Other income	<u>-</u>	<u>1,925</u>	<u>1,925</u>
Total revenues	<u>130,376</u>	<u>1,925</u>	<u>132,301</u>
EXPENSES			
Salaries	54,570	-	54,570
Fringe benefits	5,702	-	5,702
Insurance	4,263	-	4,263
Occupancy	30,404	-	30,404
Professional services	11,200	-	11,200
Contract services	18,685	-	18,685
Supplies	1,861	-	1,861
Postage	229	-	229
Telephone	1,055	-	1,055
Equipment expense	453	-	453
Other	<u>1,954</u>	<u>752</u>	<u>2,706</u>
Total expenses	<u>130,376</u>	<u>752</u>	<u>131,128</u>
Increase <decrease> net assets	-	1,173	1,173
Return of funds to funding source	-	< 162>	< 162>
Net assets, beginning of year	<u>-</u>	<u>1,024</u>	<u>1,024</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ 2,035</u>	<u>\$ 2,035</u>

Justin J. Scanlan, C.H.A., F.L.C.

A LIMITED LIABILITY COMPANY

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Gentilly Senior Center, Inc.

We have audited the financial statements of Gentilly Senior Center, Inc. (a non-profit corporation) as of and for the year ended June 30, 2010, and have issued our report thereon dated November 16, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Gentilly Senior Center, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Gentilly Senior Center, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Gentilly Senior Center, Inc.'s internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses, and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain differences in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness, and is identified as item 2010-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gentilly Senior Center, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Gentilly Senior Center, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Gentilly Senior Center, Inc.'s response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, Louisiana Legislative Auditor, others within the organization and funding sources of the corporation and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink that reads "Justin J. Scanlon, CPA, LLC". The signature is written in a cursive, flowing style.

New Orleans, Louisiana
November 16, 2010

GENTILLY SENIOR CENTER, INC.
SCHEDULE OF FINDINGS AND RESPONSES

For the year ended June 30, 2010

A. MATERIAL WEAKNESS

2010-1 Segregation of Duties

Condition: Due to the size of the administrative staff, the organization is too small to effect a meaningful segregation of duties. All authorizations and approval of cash disbursements are performed by the Executive Director and all accounting functions are primarily performed by the program coordinator.

Criteria: The accounting functions should be performed by a few individuals to assure proper segregation of duties.

Effect: The organization is unable to assure that its assets are properly safeguarded.

Recommendation: We recommend the Board of Directors continue its significant involvement in the financial affairs of the corporation through review of monthly financial reports and periodic review of the corporation's day to day financial activities.

Response: See Corrective Action Plan.

B. STATUS OF PRIOR YEAR AUDIT FINDINGS

The prior year audit findings consist of the following:

<u>Significant Deficiencies/ Material Weakness</u>	<u>Resolved</u>	<u>Unresolved</u>	<u>Current Finding No.</u>
2009-1. Segregation of Duties		X	2010-1
2009-2. Payroll Tax Deposits	X		

Gentilly Senior Center, Inc.

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GERALYN LABBE
Executive Director

November 29, 2010

Justin L. Scanlan, CPA, LLC
4769 St. Roch Avenue
New Orleans, LA 70122

In response to the recent Audit Findings:

1.2010-1 Segregation of Duties

It is the intent of Management to keep our Board of Directors apprised of the corporation's financial condition at quarterly board meetings. The Board will be advised that financial information is available on a monthly basis for any member to review.

If you need further information, please do not hesitate to contact us.

Sincerely,

A handwritten signature in black ink, appearing to read "Geraldyn Labbe", written in a cursive style.

Geralyn Labbe, GSW
Executive Director